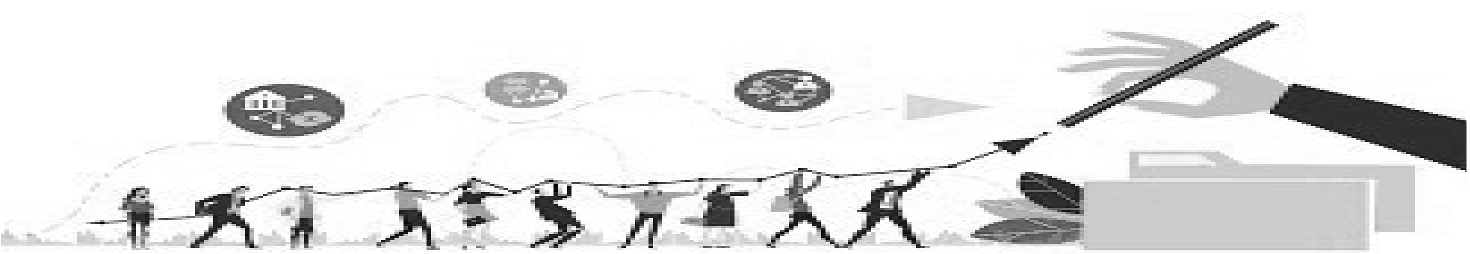
VALUATION REPORT

VALUATION OF EQUITY SHARES
OF
BALGOPAL COMMERCIAL LIMITED

FOR PROPOSED PREFERENTIAL ALLOTMENT OF EQUITY SHARES / WARRANTS

Valuation Date 9th December, 2024

MANISH GADIA
REGN. NO. IBBI/RV/06/2019/11646
RVO Mem. No. ICAIRVO/06/RV-P00074/2019-2020



MANISH GADIA

B.Com, FCA,DISA(ICAI)
Registered Valuer (IBBI)
Regn. No. IBBI/RV/06/2019/11646

5, Raja Subodh Mullick Square
2nd Floor, Kolkata – 700 013
manish@jmpassociates.com
+91 9830328772

To,
The Director
Balgopal Commercial Limited
Flat No. B-002, Dreamax Vega,
Upadhyay Compound, Pump House,
Jijamata Road, Andheri (East),
Mumbai, Maharashtra, India, 400093
CIN: L51109MH1982PLC368610

<u>Sub: Valuation Analysis of Equity Shares of Balgopal Commercial Limited</u> as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.

I refer to the engagement letter dated 05/12/2024 for engaging Mr. Manish Gadia, a Insolvency and Bankruptcy Board of India ("IBBI") Registered Valuer ("herein-after-referred as "Valuer") for the purpose of valuation of Equity Share of Balgopal Commercial Limited in accordance to Regulation 166A read with regulation 164 and other applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time, for the proposed preferential allotment of Equity Shares / warrants which may result in allotment of more than 5% of the post issue fully diluted share capital of an issuer, to an allottee or to allottees acting in concert, read with Section 42 and Section 62 (1)(C) of the Companies Act, 2013 for fresh issue of share capital. The company is registered with CIN: L51109MH1982PLC368610 having its registered office at Flat No. B-002, Dreamax Vega, Upadhyay Compound, Pump House, Jijamata Road, Andheri (East), Mumbai, Maharashtra, India, 400093. The equity shares of the Company are presently listed on the Bombay Stock Exchange Limited (BSE).

I have relied on accuracy and completeness of all the information and explanations provided by the management. Based on the information provided by the management, subject to the notes and comments provided herein, and my analysis of the Equity Shares of Company, I have arrived at the "fair value" ("Valuation" or "Value") of the Equity Shares of the Company to be Rs. 45.13 per fully paid-up equity shares of Rs. 10 each as on 9th December, 2024 ("Valuation date").

The detailed valuation report including calculations and assumptions has been attached in pages to follow.

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Registered Valuer, Kolkata

Manish Gadia
(Regn. No. IBBI/RV/06/2019/11646)
(RVO Mem. No. ICAIRVO/06/RV-P00074/2019-2020)
Date: 09-12-2024
Place: Kolkata
UDIN - 24059677BKCBSV1480

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PURPOSE OF VALUATION

I have been appointed by **Balgopal Commercial Limited** solely to determine the fair valuation of equity share of the company **Balgopal Commercial Limited (the 'Company').**

Based on the discussions held with the management and Key Managerial Personnel (KMP's), we understand that the Company is proposing to issue certain equity shares / warrants on preferential basis. The Equity shares of the company are frequently traded. The company is listed on BSE Ltd. In terms of Regulation 166A read with Regulation 164 of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 as amended form time to time ('SEBI (ICDR) Regulations'), a preferential issue, which may result in a change in control or allotment of more than 5 % of the post issue fully diluted share capital of an issuer, to an allottee or to allottees acting in concert, shall, besides the market price, requires valuation from an independent registered valuer and should be considered for determining the issue price. Thus, we, being Independent Registered Valuers, have been appointed as per the appointment letter dated 5th December, 2024. We are issuing this certificate for the purpose of compliance with the Chapter V of SEBI (ICDR) Regulations

Regulation 164(1) If the equity shares of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

the 90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

First proviso to Regulation 164 (1) - Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.

Regulation 164(5) For the purpose of this Chapter, "frequently traded shares" means the shares of the issuer, in which the traded turnover on any recognised stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the issuer: Provided that where the share capital of a particular class of shares of the issuer is not identical throughout such period, the weighted average number of total shares of such class of the issuer shall represent the total number of shares.

Explanation: For the purpose of this regulation, 'stock exchange' means any of the recognised stock exchange(s) in which the equity shares of the issuer are listed and in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90 trading days prior to the relevant date.

Regulation 166A - Any preferential issue, which may result in a change in control or allotment of more than five per cent. of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price. Provided that the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable.

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SCOPE OF VALUATION

Appointment date, Relevant date and Report date
The management of the Company has appointed Manish Gadia on 5th December, 2024. The analysis of the fair value of the equity share of the Company has been carried out on the Relevant Date i.e. 6th December, 2024. The valuation report is issued on 09th December, 2024.

As per Regulation 161 of the SEBI ICDR, 2018, "relevant date" means in case of preferential issue of equity shares, the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue.

Identity of the Valuer

Manish Gadia is a Registered Valuer as required under the Companies (Registered Valuers& Valuation) Rules, 2017. He is registered with Insolvency & Bankruptcy Board of India vide registration number IBBI/RV/06/2019/11646.

Disclosure of Valuer Interest

I neither have any present or any prospective contemplated financial interest in the Company nor any personal interest with respect to the Promoters & Board of Directors of the Company. I have no bias/prejudice with respect to any matter that is the subject of the valuation report or to the parties involved with this engagement.

My professional fee for this valuation is based upon my normal billing rates, and not contingent upon the results or the value of the business or in any other manner.

Restrictions on use of the report

This Valuation Report has been issued on the specific request of the management for the Value of the Company based on the latest available financials for the quarter and half year ended 30th September, 2024.
Specific Purpose:
Valuation analysis and its results are specific to the purpose of valuation as mentioned in the section "Purpose of Valuation". It may not be relevant for any other purpose or entity. This Report is prepared exclusively for the above stated purpose and must not be copied, disclosed or circulated or referred to in correspondence or discussion with any other party. Neither this report nor its content may be used for any other purpose without my prior written consent.

Not an advice to buy or sell:
The analysis in this report is based on the information provided by the management and such information as is obtained from market sources. However, my report is not advising anybody to take a buy or sell decision, for which specific opinion may be required from experts.

No audit or certification:
My work does not constitute an audit or certification of the historical financial statements. I cannot and do not express an opinion on the accuracy of any financial information referred to in this report. I have relied on the assumptions made by the management of the company. These assumptions require exercise of judgement and are subject to uncertainties.

BACKGROUND OF THE COMPANY

NAME: BALGOPAL COMMERCIAL LIMITED
CIN: L51109MH1982PLC368610
DATE OF INCORPORATION: 20-08-1982
REGISTERED ADDRESS: FLAT NO. B-002, DREAMAX VEGA, UPADHYAY COMPOUND, PUMP HOUSE, JIJAMATA ROAD, ANDHERI (EAST), MUMBAI, MAHARASHTRA, INDIA, 400093

The Company is a BSE Listed Public Limited Company carrying of business of trading in various goods including shares, derivatives and other items.

PURPOSE OF NEW SHARE CPITAL
THE COMPANY WANTS TO ENHANCE PERMANENT CAPITAL BASE OF THE COMPANY, AND TO EXPAND ITS BUSINESS IN DIFFERENT VERTICALS.

DIRECTOR'S/KMP DETAILS-

DIN/PAN	***DIRECTOR'S /KMP NAME***	***DESIGNATION***	***APPOINTMENT DATE***
02904370	VIJAY LALTAPRSAD YADAV	Managing Director	06/11/2020
02150718	SHAILESH BECHARBHAI PATEL	Director	16/07/2019
07176766	SHRENA KALPESH SHAH	Director	16/07/2019
*****5252E	ARVIND KUMAR PATEL	CFO	08/02/2021
02904305	NAVANEET LAL DAMANI	Additional Director	13/11/2024
*****0728A	ANKITA DEVCHAND DARJI	Company Secretary	25/07/2023

Financial data as on 30th September, 2024:

Particulars	***Amount (For 2024-25 upto 30.09.2024 in Rs. `000)***	***Amount (For 2023-24 in Rs. `000)***
Share Capital	1,65,100.00	1,65,100.00
Reserve & Surplus	2,30,472.72	1,20,663.66
NetWorth	**3,95,572.72**	**2,85,763.66**

List of shareholders as on 6th December, 2024

Category of Shareholders	***No. of Shares held***	***%age of shareholding***
Promoter & Promoter group	1202000	7.28
Public	15308000	92.72
Total	**16,510,000**	**100.00**

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SOURCES OF INFORMATION

In connection with this valuation exercise, I have used and relied upon the following information about the company received from the management of Balgopal Commercial Limited and/or gathered from public domain:

- Audited Balance Sheet of the Company as on 31st March, 2024 alongwith Statement of Unaudited Financial results for the quarter and six month ended 30th September 2024.
- Statement of Assets and Liabilities for six month ended 30th September 2024. Statement of Cash Flows for six month ended 30th September 2024.
- Representations from the management (written and oral) that affect the value of the shares of the company.
- Public documents as available from external sources such as MCA (mca.gov.in), BSE, and others.
- Market / industry surveys & information.
- Share holding pattern as on 30-09-2024 & 06-12-2024.
- Company Profile, Memorandum & Articles of Association
- Other information and documents for the purpose of this engagement.

During the discussion with the Management, I have also obtained explanations and information considered reasonably necessary for my exercise. The Company have been provided with the opportunity to review the draft report (excluding the recommended valuation) as a part of my standard practice to make sure that factual / omissions are avoided in my final report.

I have relied upon the truth, accuracy and completeness of the information, data and financial terms provided to me or used by me; I have considered that the same are not misleading and do not accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Company. The valuation analysis and result are substantively based only on information contained in this report and are governed by concept of materiality. Please refer to the caveats, limitations and disclaimers mentioned in this report.

LIMITATIONS, QUALIFICATIONS AND EXCLUSIONS

This valuation is subject to the following limiting conditions:

1. This report has been prepared for the purpose of determining/estimating the Fair Value per Equity share of the Company based on the international/generally accepted valuation methodologies for the purpose of a Private Placement / Preferential Issue as per Regulation 166A read with regulation 164 of the SEBI (ICDR) Regulations.

2. The Terms of my engagement was such that I was mandated to rely upon the information & projections provided to me by the client with no further due diligence on the data or on the projections was done by me. I would not be held responsible for the achievability or authenticity of the forecasts or data.

3. The scope of work did not include any due diligence procedures. I have not conducted a site review of the subject business premises, nor have I reviewed any of the business financials. I do not imply that it should not be construed that I have verified any of the information provided to me, or that my inquiries could have verified any matter, which a more extensive examination might disclose.

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4. By this report I am not purporting to advice the investor or investee companies on the prudence of the investment.

5. Neither me nor my employee undertakes responsibility in anyway whatsoever to any person in respect of any errors in this report arising due to limited time and information available to us.

6. I have not undertaken responsibility to update this report for the events and circumstances occurring after the valuation date. This report is purely recommendatory in nature. My liability, if any, shall be limited to the professional fees paid to me for rendering these services.

7. This report and the information provided herein is my sole Intellectual property and I hold its complete copyrights. No part of this report shall be reproduced/copied/extracted etc. without the express permission of mine in writing unless statutorily required. Such consent shall not be unreasonably withheld.

DISCLAIMERS

The valuation of the Company contained herein is not intended to represent at any time other than the date that is specifically stated in this report. I have no responsibility to update this report for events and circumstances occurring after the valuation date.

Events occurring after the date hereof may effect this report and the assumptions used in preparing it, and I do not assume any obligation to update, revise or reaffirm this report.

Valuation analysis and its results are specific to the purpose of valuation as mentioned in the section "Purpose". It may not be relevant for any other purpose or entity. This Report is prepared exclusively for the above stated purpose. Neither this report nor its content may be used for any other purpose without my prior written consent.

My work does not constitute an audit or certification of the historical financial statements. I cannot and do not express an opinion on the accuracy of any financial information referred to in this report. I have relied on the assumptions made by the management of the Company. These assumptions require exercise of judgment and are subject to uncertainties.

The Management of the Company has indicated to me that it has understood that any omissions, inaccuracies, or misstatements may materially affect my analysis/results. Accordingly, I assume no responsibility for any errors in the above information furnished by the Management of the Company and their impact on the present valuation exercise.

I have assumed that the company will maintain the character and integrity of the Company through any reorganization or reduction of any owner's/manager's participation in the existing activities of the Company

In no event shall I be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or willful defaults on the part of the Company, their directors, employees or agents. In no circumstances shall my liability relating to services provide in connection with the engagement set out in this report exceed the amount paid to me in respect of the fees charged for those services.

The assumptions used in their preparation, as I have been explained, are based on the management's present expectation of both – the most likely set of future business events and the management's course of action related to them. Wherever I have not received details information from the management, I have used my assessment of value based on experiences and circumstances of the case. It is usually the case that some events and circumstances do not occur as expected or are not anticipated.

I have relied upon the representations received from the Management that the information contained in this Report is materially accurate and complete, fair in the manner of its portrayal and therefore forms a reliable basis for the valuation.

This report shall at all times be read and interpreted in full, no part of it shall be read independently for any reason whatsoever. This report and the information provided herein is the sole Intellectual property of the company and the company holds its complete copyrights. No part of this report shall be reproduced/copied/extracted etc. without the express permission of the company in writing unless statutorily required. Such consent shall not be unreasonably withheld.

The fee for the engagement is not contingent upon the results reported.

In the course of the valuation, I was provided with both written and verbal information. I have however, evaluated the information provided to me by the Management of the Company through broad inquiry, however I have not carried out a due diligence or audit procedures for the purpose of this engagement, nor have I independently investigated or otherwise verified the data provided. Through the above evaluation, nothing has come to my attention to indicate that the information provided was materially mis-stated/incorrect or would not afford reasonable grounds upon which to base the report. I do not imply and it should not be construed that I have verified any of the information provided to us, or that my inquiries could have verified any matter, which a more extensive examination might disclose. The terms of my engagement was such that I was entitled to rely upon the information provided by the Management of the Company.

The Report assumes that the Company complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Company will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws and litigation and other contingent liabilities that are not recorded in the audited balance sheet of the Company. My Analysis of value assumes that the assets and liabilities of the Company, reflected in the respective latest balance sheet remain substantially intact as of the Report date.

The assumptions used in their preparation, as I have been explained, are based on the management's present expectation of both – the most likely set of future business events and the management's course of action related to them. Wherever I have not received detailed information from the management, I have used my assessment of value based on experiences and circumstances of the case. It is usually the case that some events and circumstances do not occur as expected or are not anticipated and this may materially affect my result of value.

My engagement is limited to preparing the report to be submitted to the management of Balgopal Commercial Limited. I shall not be liable to provide any evidence for any matters stated in the report nor shall I be liable or responsible to provide any explanation or written statement for any assumption, information, methodology or any other matter pertaining to the report.

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The fair value measurement approach relates only to the exit price from a market participant's view point at the measurement date and does not directly factors the subsequent reversibility or otherwise of price. It is based on the perspective of market participants rather than just the entity itself, so fair value is not affected by an entity's intentions of retaining or otherwise of the asset, liability or equity item that is being fair valued.

This report does not look into the business/ commercial reasons behind the transaction nor the likely benefits arising out of the same. Similarly it does not addresses the relative merits of the transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are achievable.

I owe responsibility to only the management of the Company that has engaged me and nobody else. I do not accept any liability to any third party in relation to this certificate. In any case, my liability to the Company or any third party is limited to be not more than 50% of the amount of the fee received by me from the Company for the engagement.

I hereby certify that the valuer is suitably qualified and authorized to practice as a valuer; and does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the company (including the parties with whom the company is dealing, including the lender or selling agent, if any). The valuer accepts instructions to value the company only from the appointing authority or eligible instructing party.

I am not advisor with respect to legal, tax and regulatory matters for the transaction. This Valuation report is subject to the laws in India. I have no present or planned future interest in the company or its group companies, if any and the fee payable for this valuation is not contingent upon the value of shares reported herein.

STANDARD OF VALUE

The valuation exercise is aimed at the assessment of the Fair Value of the Balgopal Commercial Limited. I am required to arrive at the above valuations based on internationally accepted valuation practices. I have used "Fair Market Value" (FMV) as a standard of value for ascertaining the enterprises value.

Fair market value is defined as:

"The price at which property would change hands between a hypothetical able and willing buyer and a hypothetical willing and able seller, acting seller, acting in arm's length in an open and unrestricted market when neither is under any compulsion to buy or sell and when both have reasonable knowledge of the relevant facts."

My analysis and report are in conformity with the "ICAI Valuation Standards" (IVS) issued by the Institute of Chartered Accountants of India. In addition to the general standards! guidelines of the IVS, my report specifically complies with ICAI Valuation Standard 102 - Valuation Bases, ICAI Valuation Standard 103 - Valuation Approaches and Methods, ICAI Valuation Standard 201 - Scope of Work, Analyses and Evaluation, ICAI Valuation Standard 202 - Reporting and Documentation and ICAI Valuation Standard 301 - Business Valuation.

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Ind AS (113) as well as IFRS 13 defines fair value as *"the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."*

PREMISE OF VALUE

My Opinion with respect to determination of fair value of the Equity Shares of Company is based on Going Concern basis since the company is carrying out its operations in a professional manner with an objective to carry on its business.

VALUATION METHODOLOGY

Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- Whether the entity is listed or not listed on a stock exchange
- Industry to which the company belongs
- Past track record of the business and the case with which the growth rate in cash flows to perpetuity can be estimated.
- Extent to which industry and comparable company information is available.

The International Accounting Standard Board (IASB), which is the independent standard setting body of the IFRS foundation, has set out two internationally accepted valuation methodologies for arriving at the fair value of a share namely, the income approach and the market approach.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the value. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. These can be broadly categorized as follows:

Asset based

Adjusted Net Assets Value method (NAV)

The Value arrived at under this approach is based on the audited/provisional financial statements of the business and may be defined as Shareholders Funds or Net Assets owned by the business. The Adjusted Net Assets Value of the business is arrived at after making adjustments for the fair value of Assets and Liabilities as on the date of valuation.

Market Based

Market approach is a valuation approach that uses prices and other relevant information generated by the market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

Pricing of frequently traded shares

Regulation 164. (1) SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 - If the equity shares of the issuer have been listed on a recognized stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

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a. the 90 trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date; or

b. the 10 trading days volume weighted average prices of the related equity shares quoted on a recognized stock exchange preceding the relevant date.
"Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue."

Comparable Company Market Multiple Method
Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. The difficulty here is in the selection of a comparable company since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, and profitability and accounting practices.
Whereas no publicly traded company provides an identical match to the operations of a given company, important information can be drawn from the way comparable enterprises are valued by public markets.

Comparable Transactions Multiple Method
This approach is somewhat similar to the market multiples approach except that the sale and EBITDA multiples of reported transactions in the same industry in the recent past are applied to the sales and EBITDA of the business being valued.
The following are some of the instances where a valuer applies the market approach:
❖ Where the asset to be valued or a comparable or identical asset is traded in the active market;
❖ There is a recent, orderly transaction in the asset to be valued; or
❖ There are recent comparable orderly transactions in identical or comparable asset(s) and information for the same is available and reliable.

Income Based

Discounted Cash flow Method (DCF)
DCF uses the future free cash flows of the firm/equity holders discounted by the weighted average cost of capital (WACC), to arrive at the present value. The WACC, based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of future cash flows as it considers debt-equity risk by incorporating deb-equity ratio of the firm. In general, DCF method is a strong and widely accepted valuation tool, as it concentrates on cash generation potential of a business considering that this method is based on future potential and is widely accepted.

Profit Earning Capacity Value
Profit Earning Capacity Value is one of the traditional methods of business valuation whereby maintainable future profits after tax are ascertained on the basis of past earnings (suitably adjusted for any changes in the key parameters) which are then capitalized at a discounting rate.

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VALUATION APPROACH USED

Market Based: Market Price Method

The Company's shares are listed and traded at BSE. The Equity Shares of the Company are frequently traded within the meaning of explanation provided in Regulation 164 (5) of Chapter V of the SEBI (ICDR) Regulations, 2018. Trading volume of equity shares of the Company is more during the preceding 90 trading days prior to the relevant date.

For calculation of market value, we have considered the trade data obtained from BSE for the period 29th July, 2024 to 5th December, 2024 (90 trading days preceding the relevant date i.e. 6th Dec, 2024) as below:

Particulars	MM/DD/YY	Day
Relevant Date	06-12-2024	Friday

As per BSE:

(a) the 90 trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date:

Date	Total Traded Quantity	Turnover
05-Dec-24	1078	63407
04-Dec-24	2466912	138196410
03-Dec-24	64993	3497910
02-Dec-24	44035	2428758
29-Nov-24	13553	768177
28-Nov-24	13069	746897
27-Nov-24	27750	1610965
26-Nov-24	2933	167243
25-Nov-24	10708	588552
22-Nov-24	9083	529357
21-Nov-24	12490	719211
19-Nov-24	21691	1257139
18-Nov-24	19008	1118760
14-Nov-24	35334	2100984
13-Nov-24	210	11745
12-Nov-24	2345	138458
11-Nov-24	2314	138420
08-Nov-24	1255	80144
07-Nov-24	1182	71832
06-Nov-24	219	12671
05-Nov-24	1002	57132
04-Nov-24	1708	97313
01-Nov-24	108	5906
31-Oct-24	2790	152873
30-Oct-24	706	39527
29-Oct-24	792	46262

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28-Oct-24	732	43553
25-Oct-24	254	14644
24-Oct-24	411	23693
23-Oct-24	782	43333
22-Oct-24	803	44525
21-Oct-24	716	41540
18-Oct-24	1731	103580
17-Oct-24	704	41385
16-Oct-24	1856	116842
15-Oct-24	2918	175539
14-Oct-24	2039	129746
11-Oct-24	2242	140487
10-Oct-24	5662	350477
09-Oct-24	182	11495
08-Oct-24	4372	281731
07-Oct-24	214	14057
04-Oct-24	80	5362
03-Oct-24	1785	122192
01-Oct-24	31	2163
30-Sep-24	175	12458
27-Sep-24	3186	238812
26-Sep-24	370	27419
25-Sep-24	3849	279653
24-Sep-24	803	57205
23-Sep-24	13848	941379
20-Sep-24	206	14108
19-Sep-24	29	2026
18-Sep-24	208	14830
17-Sep-24	65	4728
16-Sep-24	26	1929
13-Sep-24	871	65969
12-Sep-24	990	76507
11-Sep-24	102	8042
10-Sep-24	503	40466
09-Sep-24	133	10917
06-Sep-24	772	64662
05-Sep-24	310	26492
04-Sep-24	1458	127137
03-Sep-24	29578	2637744
02-Sep-24	2955	267397
30-Aug-24	1763	151952
29-Aug-24	1343	110246
28-Aug-24	1517	118614
27-Aug-24	6539	486959
26-Aug-24	6812	483145
23-Aug-24	6817	458873

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22-Aug-24	22981	1476233
21-Aug-24	4625	283423
20-Aug-24	45131	2607584
19-Aug-24	54822	3082242
16-Aug-24	689460	38373319
14-Aug-24	2050	119433
13-Aug-24	2077	115252
12-Aug-24	16717	839355
09-Aug-24	87234	3846243
08-Aug-24	122413	5159920
07-Aug-24	693	29418
06-Aug-24	1228	50911
05-Aug-24	2562	107007
02-Aug-24	2438	105041
01-Aug-24	177936	7300906
31-Jul-24	242386	9461773
30-Jul-24	107506	4157551
29-Jul-24	81518	3248805
TOTAL	**45,33,787**	**24,34,46,482**

90 trading days volume weighted average price – Rs. 53.70

(b) the 10 trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date:

Date	Total Traded Quantity	Turnover
05-Dec-24	1078	63407
04-Dec-24	2466912	138196410
03-Dec-24	64993	3497910
02-Dec-24	44035	2428758
29-Nov-24	13553	768177
28-Nov-24	13069	746897
27-Nov-24	27750	1610965
26-Nov-24	2933	167243
25-Nov-24	10708	588552
22-Nov-24	9083	529357
Total	**26,54,114**	**14,85,97,676**

10 trading days volume weighted average price – Rs. 55.99

We have considered volume weighted average price for a period of 90/10 trading days by taking into consideration aggregate daily turnover in the scrip over the period of 90/10 trading days and dividing the same by the total number of shares traded during the said period.

(a) 90 trading days volume weighted average price: Rs. 53.70
(b) 10 trading days volume weighted average price: Rs. 55.99

Therefore, Applicable Minimum Price [higher of (a) or (b)]: Rs. 55.99

The Management has informed us that there is no valuation methodology / formula prescribed in Articles of Association and also provided a copy of the same.

Profit Earning Capacity Value (PECV)

PECV method is used while valuing a going concern business with a good profitability history. It involves determining the future maintainable earning level of the entity from its normal operations. It is essential for the valuer to understand the business of the entity and take into account the normal business profits after adjusting the nonrecurring/extraordinary items of income and expense.

Asset based: Adjusted Net Assets Value method (NAV)

It is the value of the assets of the company that determine the fair value of the company. Hence, in the present case, the company have been valued by using Net Asset Value Method. Other Assets are considered at book value, other than investments in securities and fixed assets, which have been considered at their respective fair value for the proposed further issue of shares.

Control premium: Analysis of industry standards, synergies, and benchmarks

A control premium@5% on the base price per share in accordance with Regulation 166A of SEBI ICDR Regulations, is estimated to be Rs. 2.15.

Adjusted Share Price

The current economic environment, characterized by a forecasted 7.2% growth in India's economy, suggests a favorable climate for acquisitions. However, the competitive nature of the financial services sector necessitates careful consideration of the premium to ensure it aligns with potential synergies and returns. The adjusted share price, incorporating a control premium, is estimated to be Rs. 45.13 per share. This valuation aligns with industry standards and reflects the specific circumstances of Balgopal Commercial Limited.

Considering the Supreme Court's decision in the Hindustan Lever Employee Union vs. Hindustan Lever Limited, (1995) (83 Com Case 30) wherein the Honorable Court had opined on the Fair Value for a Listed company, the Fair Value is derived as under:

FAIR VALUE OF EQUITY SHARE OF BALGOPAL COMMERCIAL LIMITED

HLL Case Law			
Valuation Approach	**Value Per Share (INR)**	**Weights**	**Weighted Value per equity share**
Asset Approach-NAV method	23.96	20%	4.79
Profit Earning Capacity Value- PECV approach	22.95	20%	4.59
Market Approach-Market price method	55.99	60%	33.59
Weighted Average Price per share		**100%**	**42.98**
Add: Control Premium per share @ 5%			2.15
Adjusted Share Price per equity share			**45.13**

Therefore, in the present situation, I have considered the weighted average of NAV method, PECV Method and Market Method to arrive at the fair value of the company.

MANISH GADIA Registered Valuer, Kolkata Reg. No. IBBI/RV/06/2019/11646

KEY ASSUMPTIONS

❖ I have relied on the Audited balance sheet for the period ended on 31st March 2024, Statement of Unaudited Financial results for the quarter and six month ended 30th September 2024 and information provided as not to be misleading and did not find any material reason to not rely on them.

❖ Since the company is expected to generate positive cash flows in future, I don't have any reason to believe that the company may not be in existence in near future. Accordingly, I have valued the company on a going concern basis.

❖ I have not attempted to confirm whether or not the Equity Shares of Balgopal Commercial Limited are free and clear of liens and encumbrances, or that the Company has good title to the instrument.

❖ I have not conducted the site review of the subject business premises neither do I confirm the accuracy of the financials of Balgopal Commercial Limited provided to me. It is assumed that these statements are true and correct.

CONCLUSION

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. quality of the management, present and prospective competition, yield on comparable securities and market sentiment etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon said in Gold Coast Selection Trust Ltd. Vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

"If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible."

The values so arrived at are subject to the matters enumerated in 'Disclaimer statement', 'Scope of Work & Limitation' and information provided to me and should be viewed in the light thereof.

MANISH GADIA
Reg. No.
IBBI/RV/06/
2019/11646
Registered Valuer, Kolkata

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VALUATION OF BALGOPAL COMMERCIAL LIMITED AS ON 30TH SEPTEMBER, 2024

NET ASSET VALUE METHOD

Particulars	Amount (in Rs.`000)	Amount (in Rs.`000)
Fixed Assets		
Market Value of Land & Building		-
Book value of Other Tangible Assets		
Capital WIP		
Intangible Assets		
Non-current investments		
Non-current investments	3,81,077.83	
	-	3,81,077.83
Current investments		
Fair market value of shares and securities	-	
		-
Deferred Tax Assets		-
Book Value of All the Assets		
Capital Work-in-Progress		
Inventories	4,596.72	
Trade Receivables		
Cash and Bank Balances	1,335.73	
Other Current & Non-Current Assets		
Long Term Loan & Advances		
Short term loans & Advances	81,024.29	
Total Assets	**86,956.74**	
Less: Unamortised Deferred Expenditure	-	86,956.74
Book Value of Total Liabilities		
Short-term borrowings		
Deferred Tax Liabilibties	16,130.57	
Trade payables	42,352.68	
Other current liabilities	1,728.61	
Short-term Provisions	12,250.00	
Total Liabilities	**72,461.86**	
Provision for Income Tax	-	-72,461.86
TOTAL ASSETS		**3,95,572.71**
Long Term Liabilities		-
Net Value of Assets		**3,95,572.71**
No.of Shares Outstanding as on 30th September, 2024		1,65,10,000
Net asset value per share		23.96

PECV Method (Avg PAT/ No of shares)

Profit Before Tax (in Rs.`000)	
2024	1,31,663.24
2023	1,716.71
2022	3,044.98
Total	1,36,424.93
Avg PAT	**45,474.98**
No of Shares	1,65,10,000
EPS	2.75
Discount Rate	12%
Value of share	**22.95**